OM 040-2002 (4555) ACCOUNTING FOR THE TRUST FUND INMATE TELEPHONE SYSTEM II

Operations Memorandum

NUMBER: 040-2002 (4555)
DATE: 12/1/2002
SUBJECT: Accounting for the Trust Fund Inmate Telephone System II

EXPIRATION DATE: 12/1/2003

1. **PURPOSE AND SCOPE.** To announce procedures for making accounting entries for institutions with the Trust Fund Inmate Telephone System-II (ITS-II). These procedures are to become effective when the ITS-II is installed. Prior to implementing the ITS-II, each institution must follow the procedures outlined in the Program Statement on Accounting for Trust Fund Inmate Telephone System.

2. **DIRECTIVE REFERENCED**

> PS 2010.04   Accounting for the Trust Fund Inmate Telephone System (3/25/98)

3. **INMATE FUND TRANSFERS FROM THE FEDERAL PRISON POINT OF SALE (FPPOS) SYSTEM TO THE ITS-II.** Using any ITS-II telephone, an inmate may transfer funds from his or her FPPOS account to his or her ITS-II account. Inmates may not transfer funds exceeding their available FPPOS balances or transfer funds from their ITS-II accounts back to their FPPOS accounts.

Each morning prior to initiating the close the store function, staff responsible for Trust Fund accounting must print the Inmate Initiated Fund Transfer Report from the FPPOS System that lists all inmate initiated transfers from the FPPOS System to the ITS-II.

This report will list the transfer out amount as reported by the FPPOS System and the transfer in amount as reported by the ITS-II. Institution staff must verify that these two balances are equal. If the balances differ, Central Office Trust Fund ITS staff must be notified immediately.

Staff responsible for Trust Fund accounting must make the
following Financial Management Information System (FMIS) generic
entries on a daily basis to record the total from the Inmate
Initiated Fund Transfer Report:

(1)

TC	SX	FY	FUND	ACCT CLASS	PROJ	RCN	SOC	LINE AMOUNT
4027	M	**	X4	FPXXXXXXC4	CMS	NA	NA	+ AMOUNT

This FMIS generic transaction will generate automatic entries to
the following general ledger accounts in FUND 15X8408.

Collections Trust Fund (1010.80)   Debit
     Revenue from Services Provided –
         Trust Fund – ITS-II (5200.15)   Credit

(2)

TC	FI	F/O	FY	FUND	ACCT CLASS	PROG	PROJ	RCN	SOC	LINE AMOUNT
3056	X	O	**	PF	FPXXXXXX	NA	NA	NA	4506	+ AMOUNT

**Denotes current Fiscal Year.

This FMIS generic transaction will generate automatic entries to
the following general ledger accounts in FUND 15X6085.

Liability for Deposit Funds (2400.1)   Debit
     Other Cash (1190.1)   Credit

A Journal Voucher is to be prepared as supporting documentation
for these entries.

> **Note:**   The liability for unused ITS credits will no
>   longer be recognized at the institution level.

As an inmate requests the transfer of funds from his or her FPPOS
account to his or her ITS-II account, the amount of the
transaction is deducted immediately and electronically from his
or her FPPOS account balance and no manual entries in the FPPOS
System are required.

The sales amount listed on the Inmate Initiated Fund Transfer
Report must be posted to the FPPOS 600 (780) control account.

MAJ	MIN	DESCRIPTION	AMOUNT
600	780	ITS-II INMATE FUND TRANSFER	NEGATIVE AMT.
700	000	INMATE ACTIVITY	POSITIVE AMT.

4. **MANUAL DEPOSITS/WITHDRAWALS.** Infrequently, it may be necessary to perform manual deposits or withdrawals between the ITS-II and the FPPOS System. If manual deposits/withdrawals are required for any reason, Central Office ITS staff must be notified via GroupWise message to mailbox BOP-ADM/Trust Fund under the Public Groups directory.

The following FMIS Generic transactions will be required when a manual entry is performed:

   a. **ITS-II Manual Deposit/FPPOS Manual Withdrawal**

(1)

TC	SX	FY	FUND	ACCT CLASS	PROJ	RCN	SOC	LINE AMOUNT
4027	M	**	X4	FPXXXXXXC4	CMS	NA	NA	+ AMOUNT

   This generic transaction will generate automatic entries to the following general ledger accounts in FUND 15X8408.

Collections Trust Fund (1010.80)   Debit
     Revenue from Services Provided –
          Trust Fund – ITS-II (5200.15)   Credit

(2)

TC	FI	F/O	FY	FUND	ACCT CLASS	PROG	PROJ	RCN	SOC	LINE AMOUNT
3056	X	O	**	PF	FPXXXXXX	NA	NA	NA	4506	+ AMOUNT

**Denotes current Fiscal Year.

   This generic transaction will generate automatic entries to the following general ledger accounts in FUND 15X6085.

Liability for Deposit Funds (2400.1)   Debit
     Other Cash (1190.1)   Credit

   A Journal Voucher must be prepared as supporting documentation for these entries.

   All manual transactions to record the withdrawal from FPPOS must be posted to the FPPOS 600 (790) control account.

MAJ	MIN	DESCRIPTION	AMOUNT
600	790	ITS-II MANUAL DEPOSITS	NEGATIVE AMT.
700	000	INMATE ACTIVITY	POSITIVE AMT.

   b. **ITS-II Manual Withdrawal/FPPOS Manual Deposit**

(1)				ACCT				LINE
TC	SX	FY	FUND	CLASS	PROJ	RCN	SOC	AMOUNT
4027	M	**	X4	FPXXXXXXC4	CMS	NA	NA	- AMOUNT

   This FMIS generic transaction will generate automatic entries
to the following general ledger accounts in FUND 15X8408.

Revenue from Services Provided -
    Trust Fund - ITS-II (5200.15)   Debit
        Collections Trust Fund (1010.80)   Credit

(2)					ACCT					LINE
TC	FI	F/O	FY	FUND	CLASS	PROG	PROJ	RCN	SOC	AMOUNT
4156	X	O	**	PF	FPXXXXXX	NA	NA	NA	6905	+ AMOUNT

**Denotes current Fiscal Year.

   This FMIS generic transaction will generate automatic entries
to the following general ledger accounts in FUND 15X6085.

Other Cash (1190.1)   Debit
    Liability for Deposit Funds (2400.1)   Credit

   A Journal Voucher must be prepared as supporting documentation
for these entries.

   All manual transactions to record the deposit to FPPOS must be
posted to the FPPOS 600 (650) control account.

MAJ	MIN	DESCRIPTION	AMOUNT
600	650	ITS-II MANUAL WITHDRAWALS	POSITIVE AMT.
700	000	INMATE ACTIVITY	NEGATIVE AMT.

5. **PROCESSING INMATE RELEASES.** Upon an inmate's release, staff
responsible for Trust Fund accounting are to perform the release
function from an FPPOS workstation, an FPPOS Initiated Fund
Transfer Report will automatically print, the totals reported are
to be used to make the following FMIS accounting entries to
transfer the ITS-II balance to an inmate's FPPOS account:

(1)				ACCT				LINE
TC	SX	FY	FUND	CLASS	PROJ	RCN	SOC	AMOUNT
4027	M	**	X4	FPXXXXXXC4	CMS	NA	NA	- AMOUNT

This FMIS generic transaction will generate automatic entries to the following general ledger accounts in FUND 15X8408.

Revenue from Services Provided -
    Trust Fund - ITS-II (5200.15)   Debit
      Collections Trust Fund (1010.80)   Credit

(2) TC	FI	F/O	FY	FUND	ACCT CLASS	PROG	PROJ	RCN	SOC	LINE AMOUNT
4156	X	O	**	PF	FPXXXXXX	NA	NA	NA	6905	+ AMOUNT

**Denotes current Fiscal Year.

This FMIS generic transaction will generate automatic entries to the following general ledger accounts in FUND 15X6085.

Other Cash (1190.1)   Debit
    Liability for Deposit Funds (2400.1)   Credit

A Journal Voucher is to be prepared as supporting documentation for these entries.

All ITS-II releases must be posted to the FPPOS 600 (640) control account.

MAJ	MIN	DESCRIPTION	AMOUNT
600	640	ITS-II RELEASES	POSITIVE AMT.
700	000	INMATE ACTIVITY	NEGATIVE AMT.

6. **RECORDING OTHER ITS-II FEES.** Staff responsible for Trust Fund accounting must make the following FMIS/FPPOS accounting entries to record fees collected for replacement Phone Access Codes (PAC) and requests for Telephone Account Statements:

(1) TC	SX	FY	FUND	ACCT CLASS	PROJ	RCN	SOC	LINE AMOUNT
4125	D	**	X4	FPXXXXXXC4	CMS	NA	NA	+ AMOUNT

This FMIS generic transaction will generate automatic entries to the following general ledger accounts in FUND 15X8408.

Collections Trust Fund (1010.80)   Debit
    Other Revenue - ITS
      Miscellaneous (5900.33)   Credit

(2) TC	FI	F/O	FY	FUND	ACCT CLASS	PROG	PROJ	RCN	SOC	LINE AMOUNT
3056	X	O	**	PF	FPXXXXXX	NA	NA	NA	4506	+ AMOUNT

**Denotes current Fiscal Year.

This FMIS generic transaction will generate automatic entries to the following general ledger accounts in FUND 15X6085.

Liability for Deposit Funds (2400.1)   Debit
    Other Cash (1190.1)   Credit

A Journal Voucher must be prepared as supporting documentation for these entries.

All withdrawals for ITS-II fees must be posted to the FPPOS 600 (520) control account.

MAJ	MIN	DESCRIPTION	AMOUNT
600	520	JOURNAL VOUCHERS	NEGATIVE AMT.
700	000	INMATE ACTIVITY	POSITIVE AMT.

7. **RECORDS MANAGEMENT.** The following reports must be filed in the established monthly Trust Fund ITS six-part folder.

   a. **Section 1. Inmate Initiated Fund Transfer Reports.** This section must contain the Daily Inmate Initiated Fund Transfer reports. This report is to be printed daily from FPPOS by the technician responsible for the Trust Fund accounting. Reports are to be filed chronologically.

   b. **Section 2. FPPOS Initiated Fund Transfer Reports.** This section must contain the FPPOS Initiated Fund Transfer reports. This report will print automatically when electronic fund transfers are performed from FPPOS for such things as releases. Reports are to be filed chronologically.

   c. **Section 3. Manual Deposits/Withdrawals Transaction Input Sheets.** This section must contain the FPPOS Transaction Input Sheets. These sheets will print automatically when manual transactions are performed in FPPOS. Reports are to be filed chronologically.

   d. **Section 4. Reconciliation.** Each month the grand total of all Inmate Initiated Fund Transfer reports, FPPOS Initiated Fund Transfer reports and Manual Withdrawals and Deposits will be reconciled with the FMIS General Ledger Account 5200.15 - Revenue from Services Provided-ITS-II.

   The ITS-II Revenue Reconciliation Worksheet (Attachment A) must be completed each month and filed in the monthly Trust Fund ITS six-part folder.

The Trust Fund Supervisor, along with the Accounting
Supervisor, is to complete the monthly reconciliation.

   e. **Sections 5 and 6.** To be determined at the local level.

8. **ITS-II EQUIPMENT.** All ITS-II equipment is leased from
Dyncorp and is considered to be one unit which will be given one
institution Federal Prison System (FPS) number for the entire
system. The sticker should be attached to the Central Processing
Unit (CPU). Do not etch or mark the equipment with anything
other than the FPS sticker.

The following information is provided to help record the ITS-II
equipment in the SENTRY Property Management System (SPMS):

Function	ACQ
Item Code	58130
Manufacturer Code	GTE
Method of Acquisition	C
Ownership Code	3
Acquisition Date	Date System was installed
Acquisition Value	Leave Blank
Acquisition Quantity	1
Order Number	JADPc026
ACTCLASS	FPXXXXXXC4
Sub-Object	31MN
Source Document Number	Receiving Report Number
Rental Period (Months)	Number of months remaining to 04-01-2008
Loan/Rent Expiration Date	04-01-2008

9. **ACTIONS.** These procedures shall be effective immediately
upon implementation of the ITS-II. Any questions should be
directed to the Chief of the Trust Fund Branch at (202) 307-3144.

                              /s/Robert Newport for
                              Bruce K. Sasser
                              Assistant Director
                                for Administration

ITS-II REVENUE RECONCILIATION WORKSHEET

For Month Ending_____

STANDARD GENERAL LEDGER:	**FPPOS CONTROL ACCOUNT:**
Account Number	Account No. 600-780 $_____
5200.15 $_____	
	Add:
	Account No. 600-790 _____
	Deduct:
	Account No. 600-650 _____
	Deduct:
	Account No. 600-640 _____
TOTAL $_____	**TOTAL** $_____

Difference $_____

If a difference between the Standard General Ledger and the FPPOS Control account exists, utilize Attachment B to record your reconciliation.

A copy of the General Ledger Trail Balance Report, the FPPOS Control Account printout and Attachment B (if necessary) shall be filed along with this form in the monthly Trust Fund ITS six-part folder.

ITS-II REVENUE RECONCILIATION WORKSHEET

For Month Ending _____

	STANDARD GENERAL LEDGER ACCT. (5200.15)	FPPOS CONTROL ACCOUNT
TOTAL BALANCES FROM ATTACHMENT A	$	$
RECONCILED BALANCES	$	$